

**CORE
TRANSIT**



**EAGLE VALLEY TRANSPORTATION AUTHORITY
(DBA CORE TRANSIT)
Eagle County, Colorado**

FINANCIAL STATEMENTS

with Independent Auditors' Report

December 31, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Eagle Valley Transportation Authority

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Eagle Valley Transportation Authority (“the Authority”) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

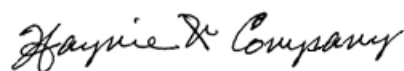
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual for the Transit Capital Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual for the Transit Capital Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Sincerely,



Littleton, Colorado

August 13, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the Eagle Valley Transportation Authority (the “Authority”), we offer readers of the Authority’s financial statements this narrative summary for the fiscal year ended December 31, 2024.

FINANCIAL HIGHLIGHTS

- The Authority had an increase in Net Position of \$26 million resulting in a total Net Position of \$37.1 million. This increase was driven primarily by transfer of capital assets from Eagle County which were previously used by ECO transit department of Eagle County Government. The capital assets transfer was presented as a special item in the statement of activities totaling \$13.9 million.
- As of end of fiscal year 2024, the Authority’s governmental funds reported combined ending fund balances of \$24 million, an increase of almost \$13 million from the prior year. It includes \$12.8 million of unassigned fund balance.
- The General Fund had an increase in Fund balance of \$5.5 million compared to \$3.3 million increase in the final budget. The favorable results are primarily attributable to the budget assumption of a July 1 transition date, whereas the actual transition occurred on August 4.
- The Authority received \$4.9 million from Eagle County in 2024 for the purchase of five buses. It is recorded in the Transit Capital Fund. The Transit Capital Fund has an ending fund balance of \$8.5 million, an increase of \$6.5 million. The purchase of the buses was subsequently completed in 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two types of information on the same statement that present different views of the Authority:

- Government-wide financial statements that provide both long-term and short-term information about the Authority’s overall financial status.
- Fund financial statements that focus on individual parts of the Authority government, reporting the Authority’s operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

REPORTING ON THE GOVERNMENT AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the Authority to provide mass transportation services, the view of the Authority as a whole looks at all financial transactions and asks the question, “How did we do financially during the fiscal year?” The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to that used by most private sector companies, taking into account all of the current year’s revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide financial statements is on the overall financial position and activities of the Authority. These financial statements are constructed around the concept of a primary government, the Authority.

The statement of net position and statement of activities report the Authority’s net position and changes therein. This change in net position is important because it identifies whether the financial position of the Authority has improved or diminished for the Authority as a whole. In the statement of net position and the statement of activities, the Authority’s operations are reported as a “Governmental Activity.” Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. All of the Authority’s programs and services are currently reported here.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Authority’s funds, focusing on its most significant funds – not the Authority as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority’s major governmental funds include the General Fund, Transit Capital Fund, Air Fund and Housing Service Fund. The Authority uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Unlike government-wide financial statements, the focus of the fund financial statements is directed to specific activities of the Authority rather than the Authority as a whole. Such information may be useful in evaluating a government’s near-term financing requirements.

Governmental Funds

The Authority’s activity is reported as a governmental fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. The governmental fund statements provide a detailed short-term view of the Authority’s general government operations and the basic services it provides. The funds are reported using modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority’s services. The relationship (or differences) between governmental activities

(reported in the Statement of Net Position and the Statement of Activities) and governmental funds is provided in reconciliations following the fund financial statements. The Authority maintains the following governmental funds:

The General Fund is the Authority's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Transit Capital Fund accounts for financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The Air Fund is a special revenue fund that accounts for financial resources to be used towards annual contributions to EGE Air Alliance.

The Housing Service Fund is a special revenue fund that accounts for all financial resources to be used for housing-related revenue and expenses.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

REPORTING ON THE GOVERNMENT AS A WHOLE

Statement of Net Position

The perspective of the Statement of Net Position is of the Authority as a whole. The following is a summary of the Authority's net position for the current and prior fiscal year:

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	Governmental Activities		
	2024	2023	Increase (Decrease)
ASSETS			
Cash and other current assets	\$ 25,898,617	\$11,201,589	\$14,697,028
Capital assets, net	17,837,104	-	17,837,104
Total assets	<u>43,735,721</u>	<u>11,201,589</u>	<u>32,534,132</u>
LIABILITIES			
Current liabilities	1,898,451	151,909	1,746,542
Long-term liabilities	4,738,533	-	4,738,533
Total liabilities	<u>6,636,984</u>	<u>151,909</u>	<u>6,485,075</u>
NET POSITION			
Net investment in capital assets	13,475,406	-	13,475,406
Restricted for emergency reserves	344,600	15,900	328,700
Unrestricted	23,278,731	11,033,780	12,244,951
Total net position	<u>\$ 37,098,737</u>	<u>\$11,049,680</u>	<u>\$26,049,057</u>

The Authority's current assets increased \$14.7 million compared to the prior year. The increase is primarily due to higher-than-anticipated savings during fiscal year 2024. Additionally, the transfer of \$4.9 million from Eagle County for the planned purchase of five buses also contributed to this increase. The purchase was completed in the fiscal year 2025.

Capital Assets increased by \$17.8 million which is mainly due to transfer of capital assets from Eagle County (see note 12). Increase in capital assets is also due to recognition of right-to-use assets as a result of long-term leases and subscriptions (see notes 7 and 8).

As a result of these factors, the Authority's net position improved by \$26 million over the previous fiscal year.

Statement of Activities

The perspective of the Statement of Activities is also of the Authority as a whole. The statement of activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting those costs. The following detail reflects the total cost of services supported by program revenues and general taxes, as well as other general revenues, resulting in the overall change in net position for the current fiscal year:

	Governmental Activities		
	2024	2023	Increase (Decrease)
REVENUE			
<i>Governmental Activities</i>			
Charges for services	\$ 164,786	\$ -	\$ 164,786
Operating grants and contributions	1,551,737	-	1,551,737
Capital grants and contributions	4,934,605	-	4,934,605
<i>General Revenues</i>			
Sales taxes	17,737,900	11,354,157	6,383,743
Advertising revenue	11,174	-	11,174
Rent income	140,568	-	140,568
Interest income	983,272	224,454	758,818
Special item	13,935,463	-	13,935,463
Total Revenues	<u>39,459,505</u>	<u>11,578,611</u>	<u>27,880,894</u>
EXPENSES			
Personnel expenses	5,857,052	146,467	5,710,585
Operating expenses	2,371,707	23,272	2,348,435
Professional services	3,255,520	359,192	2,896,328
Other expenses	1,926,169	-	1,926,169
Total Expenses	<u>13,410,448</u>	<u>528,931</u>	<u>12,881,517</u>
Increase (Decrease) in Net Position	<u>\$ 26,049,057</u>	<u>\$ 11,049,680</u>	<u>\$ 14,999,377</u>

The Authority's revenues include sales taxes collected in the current year to support general operations. The Authority's program expenses consist of operational expenses and depreciation/amortization expense on capital assets. Overall net position increased \$26 million from the prior fiscal year. It is mainly because of transfer of capital assets from Eagle County which is accounted as a special item and valued at \$13.9 million.

FUND FINANCIAL STATEMENTS

The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As discussed above, for financial reporting purposes the Authority's General Fund, Transit Capital Fund, Air Fund and Housing Service Fund are considered governmental funds and are reported on the modified accrual basis of accounting. At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, inflows from operating loans are presented as a revenue item while outflows for capital outlay and debt service payments are presented as an expenditure item, as these items represent current period financial resources and uses.

The General Fund ending fund balance increased \$5.5 million from \$8 million to \$13.6 million during the current fiscal year. This represents the excess of current period revenues (financial resources) over current period expenses (financial uses). The majority of financial resources are

from sales taxes. Other financial resources include transfer of ECO transit reserve, interest and other income.

The Transit Capital Fund ending fund balance increased \$6.5 million from \$2 million to \$8.5 million. The increase is mainly due to transfer of ECO reserve from Eagle County for the purchase of five new buses. The ending fund balance is the amount of net resources available for future expenditures related to the Transit Capital fund.

The Housing Service Fund ending fund balance increased \$889k from \$1 million to \$1.9 million. The ending fund balance is the amount of net resources available for future Housing Service Fund expenditures.

The Authority, pursuant to the TABOR Amendment, reserves funds for emergencies. As discussed in the notes of the financial statements, the Authority reserves 3% of the total of all operational expenses every fiscal year. As operational expenses increase, this reserve will grow accordingly. At the end of each fiscal year, if the emergency reserves were not used, the funds are carried into the next year's operational funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Authority's procedures in establishing budgetary data reflected in the financial statements are summarized in note 2 of the financial statements. The Board of Directors and management strive to budget appropriate amounts for each line item.

General Fund Resources (Inflows)

The Authority's general fund final budgetary revenues and other financing sources totaled \$20,451,869 which is less than the budgeted expectations of \$24,825,585 by \$4,373,716.

General Fund Charges to Appropriations (Outflows)

The Authority's general fund final budgetary expenditures and other financing uses in the amount of \$11,484,279 were \$6,486,175 less than the final appropriated balance of \$17,970,454. The favorable results are mainly due to the Authority being fully operational for only a portion of 2024.

General Fund - Fund Balance

The General Fund ending fund balance carryover to fiscal year 2025 is \$13,591,327 including an unassigned balance of \$12,822,361.

CAPITAL ASSETS

At the end of 2024, the Authority had a total of \$17,837,104 invested in capital assets of governmental activities. The following reflects the balances at the current and prior fiscal year-end:

<u>Capital Assets Net of Depreciation/Amortization</u>	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Capital Assets, not being depreciated	\$ 338,107	\$ -	\$ 338,107
Building and Land Improvements	1,722,829	-	1,722,829
Computer Equipment and Software	92,121	-	92,121
Vehicles	231,039	-	231,039
Service Buses	11,126,361	-	11,126,361
Right-to-use lease assets	3,872,746	-	3,872,746
Right-to-use subscription assets	453,900	-	453,900
Total Capital Assets, net	<u>\$ 17,837,104</u>	<u>\$ -</u>	<u>\$ 17,837,104</u>

DEBT ADMINISTRATION

At the end of 2024, the Authority had total long-term liabilities of \$4,559,691. The following reflects the balances at the current and prior fiscal year-end:

<u>Long-Term Liabilities</u>	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Lease payable	\$ 3,905,496	\$ -	\$ 3,905,496
Subscription payable	456,202	-	456,202
Compensated absences	376,835	-	376,835
Total long-term liabilities	<u>\$ 4,738,533</u>	<u>\$ -</u>	<u>\$ 4,738,533</u>

ECONOMIC CONDITIONS AND OUTLOOK

In 2024, the Authority underwent a transformative year marked by significant achievements and innovations aimed at improving accessibility and community connection. The Authority assumed full responsibility for regional transit operations from Eagle County on August 4, 2024. It introduced fare-free service on key routes, including Highway 6, Minturn, while enhancing service frequency and adding express routes. The fare-free initiative contributed to a significant increase in ridership. The Authority achieved a 99% trip completion rate in 2024, proving that riders can rely on it for their day-to-day commute.

Another milestone in 2024 was the successful rebranding of the Authority as Core Transit, reflecting a people-first approach and long-term strategic vision. The Authority's dedication to excellence and innovation earned it the Large Community Transit Agency of the Year award from the Colorado Association of Transit Agencies (CASTA). Additionally, sustainability efforts advanced with the introduction of eco-friendly hybrid buses, underscoring the Authority's commitment to reducing environmental impact while improving service quality.

Looking ahead, the Authority is focused on executing its 10-Year Transit Plan, which prioritizes service expansion, transit development, capital investment and continued operational improvements. Enhanced winter service launched in late 2024 demonstrates the Authority's responsiveness to seasonal demand which ensures seamless mobility for community activities. Building on the momentum of an extraordinary year, the Authority aims to strengthen its role as a cornerstone of regional transportation and community development in 2025 and beyond.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's fiscal management. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Eagle Valley Transportation Authority
Sanjok Timilsina, CPA
Finance Director
PO Box 1070
Gypsum, CO 81637

BASIC FINANCIAL STATEMENTS

EAGLE VALLEY TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
December 31, 2024

	Governmental Activities
ASSETS	
Cash and investments	\$ 22,197,742
Interest receivable	261,865
Sales taxes receivable	2,937,957
Accounts receivable	39,571
Deposits held by vendors	3,199
Prepaid expenses	458,283
Capital assets not being depreciated	338,107
Capital assets, net of depreciation	17,498,997
Total assets	43,735,721
LIABILITIES	
Accounts payable	1,339,094
Accrued interest payable	10,747
Deferred revenue	800
Deposits held	9,281
Payroll and related liabilities	538,529
Long-term liabilities:	
Portion due or payable within one year	1,051,103
Portion due or payable in more than one year	3,687,430
Total liabilities	6,636,984
NET POSITION	
Net investment in capital assets	13,475,406
Restricted for:	
Emergency reserves	344,600
Unrestricted	23,278,731
Total net position	\$ 37,098,737

These financial statements should be read only in connection with
the accompanying notes to financial statements.

EAGLE VALLEY TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense)	
		Charges for Services	Operating Grants and Contribution	Capital Grants and Contribution	Revenue and Changes in Net Position
				Governmental Activities	
Primary government:					
Governmental activities:					
General government	\$ 13,410,448	\$ 164,786	\$ 1,551,737	\$ 4,934,605	\$ (6,759,320)
	<u>\$ 13,410,448</u>	<u>\$ 164,786</u>	<u>\$ 1,551,737</u>	<u>\$ 4,934,605</u>	<u>(6,759,320)</u>
General revenues:					
Sales taxes					17,737,900
Advertising revenue					11,174
Rent income					140,568
Interest					983,272
Special item					13,935,463
Total general revenues					<u>32,808,377</u>
Change in net position					26,049,057
Net position - beginning					<u>11,049,680</u>
Net position - ending					<u>\$ 37,098,737</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

EAGLE VALLEY TRANSPORTATION AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	<u>Special Revenue Funds</u>				<u>Total</u>
	<u>General</u>	<u>Air</u>	<u>Housing Service</u>	<u>Transit Capital</u>	
ASSETS					
Cash and investments	\$ 11,777,723	\$ -	\$ 1,889,717	\$ 8,530,302	\$ 22,197,742
Interest receivable	261,865	-	-	-	261,865
Sales taxes receivable	2,937,957	-	-	-	2,937,957
Accounts receivable	36,871	-	2,700	-	39,571
Deposits held by vendors	-	-	3,199	-	3,199
Prepaid expenditures	424,366	-	33,917	-	458,283
TOTAL ASSETS	<u>\$ 15,438,782</u>	<u>\$ -</u>	<u>\$ 1,929,533</u>	<u>\$ 8,530,302</u>	<u>\$ 25,898,617</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,308,926	\$ -	\$ 30,168	\$ -	\$ 1,339,094
Deposits Held	-	-	9,281	-	9,281
Payroll and related liabilities	538,529	-	-	-	538,529
Total liabilities	<u>1,847,455</u>	<u>-</u>	<u>39,449</u>	<u>-</u>	<u>1,886,904</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	-	-	800	-	800
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>800</u>	<u>-</u>	<u>800</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	424,366	-	33,917	-	458,283
Restricted:					
Emergency reserves	344,600	-	-	-	344,600
Assigned:					
Housing Service	-	-	1,855,367	-	1,855,367
Transit Capital	-	-	-	8,530,302	8,530,302
Unassigned	12,822,361	-	-	-	12,822,361
Total fund balances	<u>13,591,327</u>	<u>-</u>	<u>1,889,284</u>	<u>8,530,302</u>	<u>24,010,913</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,438,782</u>	<u>\$ -</u>	<u>\$ 1,929,533</u>	<u>\$ 8,530,302</u>	<u>\$ 25,898,617</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

EAGLE VALLEY TRANSPORTATION AUTHORITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
Year Ended December 31, 2024

Amounts reported for governmental activities on the statement of net position are different because:	
Total fund balance - governmental funds	\$ 24,010,913
Capital assets used in governmental activities are not currently available financial resources and, therefore, are not reported in the funds.	17,837,104
Long-term liabilities and related deferred items are not due and payable in the current period and, therefore, are not reported in the funds. Long term liabilities and related items include:	
Lease payable	(3,905,496)
Subscriptions payable	(456,202)
Accrued interest payable	(10,747)
Accrued compensated absences	(376,835)
Net adjustment	(4,749,280)
Total net position - governmental activities	<u>\$ 37,098,737</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

EAGLE VALLEY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	<u>Special Revenue Funds</u>				<u>Total</u>
	<u>General</u>	<u>Air</u>	<u>Housing Service</u>	<u>Transit Capital</u>	
REVENUES					
Sales taxes	\$ 17,737,900	\$ -	\$ -	\$ -	\$ 17,737,900
ECO transit reserve	1,551,737	-	-	4,934,605	6,486,342
Farebox revenue	45,417	-	-	-	45,417
Direct pass sales revenue	20,845	-	-	-	20,845
Mobile fare sales revenue	27,919	-	-	-	27,919
Service agreement revenue	70,605	-	-	-	70,605
Advertising revenue	11,174	-	-	-	11,174
Rent income	3,000	-	137,568	-	140,568
Interest	983,272	-	-	-	983,272
Total revenues	<u>20,451,869</u>	<u>-</u>	<u>137,568</u>	<u>4,934,605</u>	<u>25,524,042</u>
EXPENDITURES					
<u>Personnel expenses</u>					
Salaries	4,555,753	-	-	-	4,555,753
Benefits	874,786	-	-	-	874,786
Taxes	426,513	-	-	-	426,513
<u>Operating expenses</u>					
Bus rodeo	1,306	-	-	-	1,306
Business trips and meetings	16,475	-	-	-	16,475
Capital outlay	-	-	-	129,391	129,391
Computer and related equipment	28,701	-	-	-	28,701
Consulting/contracted services	1,123,150	-	-	-	1,123,150
Employee event expenses	6,921	-	-	-	6,921
Fuel/oils	467,373	-	-	-	467,373
Leases/rental	473,651	-	234,462	-	708,113
Medical exams and testing	8,146	-	-	-	8,146
Meeting broadcast and recording	12,158	-	-	-	12,158
Office supplies	8,908	-	-	-	8,908
Other operating expenses	92,589	-	425	-	93,014
Telephone	29,565	-	-	-	29,565
Training/workshop	10,184	-	-	-	10,184
Treasurer/processing fees	59,350	-	-	-	59,350
Uniforms	30,560	-	-	-	30,560
Utilities	2,670	-	-	-	2,670
<u>Professional services</u>					
Accounting services	150,500	-	-	-	150,500
Branding and marketing	66,348	-	-	-	66,348
Consulting/contracted services	807,402	-	13,397	-	820,799
Insurance	179,046	-	-	-	179,046
Legal	207,084	-	-	-	207,084
Minimum revenue guarantees	-	700,855	-	-	700,855
Public relations	11,707	-	-	-	11,707
Purchased transportation services	1,618,930	-	-	-	1,618,930
Recruiting	24,727	-	-	-	24,727
Website and software licensing	189,776	-	-	-	189,776
Total expenditures	<u>11,484,279</u>	<u>700,855</u>	<u>248,284</u>	<u>129,391</u>	<u>12,562,809</u>
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES					
	<u>8,967,590</u>	<u>(700,855)</u>	<u>(110,716)</u>	<u>4,805,214</u>	<u>12,961,233</u>
OTHER FINANCING SOURCES (USES)					
Transfer (to) from Housing Service Fund	(1,000,000)	-	1,000,000	-	-
Transfer (to) from Air Fund	(700,855)	700,855	-	-	-
Transfer (to) from Transit Capital Fund	(1,725,088)	-	-	1,725,088	-
Total other financing sources (uses)	<u>(3,425,943)</u>	<u>700,855</u>	<u>1,000,000</u>	<u>1,725,088</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	5,541,647	-	889,284	6,530,302	12,961,233
FUND BALANCES - BEGINNING OF YEAR	8,049,680	-	1,000,000	2,000,000	11,049,680
FUND BALANCES - END OF YEAR	<u>\$ 13,591,327</u>	<u>\$ -</u>	<u>\$ 1,889,284</u>	<u>\$ 8,530,302</u>	<u>\$ 24,010,913</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements

EAGLE VALLEY TRANSPORTATION AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

Amounts reported for governmental activities on the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 12,961,233
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Governmental funds report capital outlays and certain investments as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capitalized items including special item exceeds depreciation and amortization expense in the current year:

Assets transferred from Eagle County (Special item)	13,935,463	
Capital expenditures, net of disposal	124,137	
Depreciation expense	(549,142)	
Amortization expense	(544,442)	
Net adjustment	12,966,016	12,966,016

The issuance of long-term debt (e.g., leases, subscriptions etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position. This is the effect of the difference in the treatment of the repayment of principal of long-term debt in the current year:

Principal repayments - lease	443,751	
Principal repayments - subscriptions	112,354	
Interest expense	(57,462)	
Net adjustment	498,643	498,643

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Details of these items are as follows:

Change in accrued compensated absences	(376,835)	
Net adjustment	(376,835)	(376,835)

Total net position - governmental activities	\$ 26,049,057
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EAGLE VALLEY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2024

	Budget Amounts	Budget Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Sales taxes	\$ 12,750,955	\$ 12,750,955	\$ 12,758,352	\$ 7,397
ECO transit sales taxes	11,309,816	11,309,816	4,979,548	(6,330,268)
ECO transit reserve transfer	-	-	1,551,737	1,551,737
Farebox revenue	136,712	136,712	45,417	(91,295)
Direct pass sales revenue	206,306	206,306	20,845	(185,461)
Mobile fare sales revenue	66,796	66,796	27,919	(38,877)
Service agreement revenue	-	-	70,605	70,605
Advertising revenue	5,000	5,000	11,174	6,174
Rent income	-	-	3,000	3,000
Interest	350,000	350,000	983,272	633,272
Total revenues	<u>24,825,585</u>	<u>24,825,585</u>	<u>20,451,869</u>	<u>(4,373,716)</u>
EXPENDITURES				
<u>Personnel expenses</u>				
Salaries	3,924,770	3,924,770	4,555,753	(630,983)
Benefits	1,006,785	1,006,785	874,786	131,999
Taxes	305,266	305,266	426,513	(121,247)
Total personnel expenses	<u>5,236,821</u>	<u>5,236,821</u>	<u>5,857,052</u>	<u>(620,231)</u>
<u>Operating expenses</u>				
Bus rodeo	10,000	10,000	1,306	8,694
Business trips and meetings	34,000	34,000	16,475	17,525
Computer and related equipment	75,000	75,000	28,701	46,299
Consulting/contracted services	1,775,895	1,775,895	1,123,150	652,745
Employee event expenses	17,000	17,000	6,921	10,079
Fuel/oils	626,556	626,556	467,373	159,183
Leases/rental	788,156	788,156	473,651	314,505
Medical exams and testing	11,500	11,500	8,146	3,354
Meeting broadcast and recording	13,900	13,900	12,158	1,742
Office supplies	14,250	14,250	8,908	5,342
Other operating expenses	64,800	64,800	92,589	(27,789)
Telephone	37,500	37,500	29,565	7,935
Training/workshop	1,500	1,500	10,184	(8,684)
Treasurer/processing fees	-	-	59,350	(59,350)
Uniforms	11,000	11,000	30,560	(19,560)
Utilities	-	-	2,670	(2,670)
Total operating expenses	<u>3,481,057</u>	<u>3,481,057</u>	<u>2,371,707</u>	<u>1,109,350</u>
<u>Professional services</u>				
Accounting services	60,000	60,000	141,500	(81,500)
Audit	7,500	7,500	9,000	(1,500)
Branding and marketing	62,700	62,700	66,348	(3,648)
Consulting/contracted services	430,000	430,000	807,402	(377,402)
Insurance	91,402	91,402	179,046	(87,644)
Legal	130,600	130,600	207,084	(76,484)
Public relations	10,000	10,000	11,707	(1,707)
Purchased transportation services	8,330,374	8,330,374	1,618,930	6,711,444
Recruiting	30,000	30,000	24,727	5,273
Website and software licensing	100,000	100,000	189,776	(89,776)
Reserve	-	-	-	-
Total professional services	<u>9,252,576</u>	<u>9,252,576</u>	<u>3,255,520</u>	<u>5,997,056</u>
Total expenditures	<u>17,970,454</u>	<u>17,970,454</u>	<u>11,484,279</u>	<u>6,486,175</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	<u>6,855,131</u>	<u>6,855,131</u>	<u>8,967,590</u>	<u>2,112,459</u>
OTHER FINANCING USES				
Transfer to Housing Service Fund	(1,000,000)	(1,000,000)	(1,000,000)	-
Transfer to Air Fund	(800,000)	(800,000)	(700,855)	99,145
Transfer to Transit Capital Fund	(1,725,088)	(1,725,088)	(1,725,088)	-
Total other financing uses	<u>(3,525,088)</u>	<u>(3,525,088)</u>	<u>(3,425,943)</u>	<u>99,145</u>
NET CHANGE IN FUND BALANCE				
	3,330,043	3,330,043	5,541,647	2,211,604
FUND BALANCE - BEGINNING OF YEAR				
	9,931,419	9,931,419	8,049,680	(1,881,739)
FUND BALANCE - END OF YEAR				
	<u>\$ 13,261,462</u>	<u>\$ 13,261,462</u>	<u>\$ 13,591,327</u>	<u>\$ 329,865</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - DEFINITION OF REPORTING ENTITY

The Eagle Valley Transportation Authority dba Core Transit (the “Authority”) was formed by an intergovernmental agreement dated as of September 1, 2022 between the Beaver Creek Metropolitan District, the Town of Avon, the Town of Eagle, the Town of Minturn, the Town of Red Cliff, the Town of Vail, the Town of Gypsum and Eagle County, Colorado (collectively the Members). The Authority was created as a regional transportation authority pursuant to Title 43, Article 4, Part 6 of the Colorado Revised Statutes, as amended (Act). In November of 2022, the electorate of the Authority, subject to authorization of the intergovernmental agreement by the Members, approved the formation of the Authority and approved an initial sales tax to be imposed in all areas within the Authority’s boundaries for general operating purposes.

Due to absence of voter authorization for participation in the Authority at the November 8, 2022, election, the Town of Gypsum is not a member of the Authority. On December 9, 2022, the Authority was organized and authorized to exercise the functions conferred to it pursuant to the provisions within the intergovernmental agreement and state statutes.

The Authority is governed by a board of directors which is composed of one director and one alternate appointed by each Member. The directors must be elected members of the governing body of the jurisdiction they represent. The board of directors is responsible for setting policy, appointing administrative personnel, adopting an annual budget in accordance with state statutes and performing all duties vested in or imposed on the Authority.

The purpose of the Authority is to plan, finance, implement and operate an efficient, sustainable and regional public multimodal transportation system at any location or locations within or without the boundaries of the Authority in accordance with the provisions of the intergovernmental agreement. (see note 12).

The Authority follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Authority is not financially accountable for any other organization nor is the Authority a component unit of any other primary governmental entity.

EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the Authority are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the Authority. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are normally supported by taxes and operating revenues. The statement of net position reports all financial and capital resources of the Authority. The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are sales taxes and operations revenues. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

The Authority reports the following major governmental funds:

The General Fund is the Authority's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Transit Capital Fund accounts for financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The Air Fund is a special revenue fund that accounts for financial resources to be used towards annual contributions to EGE Air Alliance.

The Housing Service Fund is a special revenue fund that accounts for all financial resources to be used for housing-related revenue and expenses.

Budgets and Budgetary Accounting

In the fall of each year, the Authority's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds is adopted on a basis consistent with U.S. GAAP. The Authority followed the required timetable noted below in preparing, approving, and enacting its budget for 2024.

- On or before October 15th, the Authority submitted to the Board a recommended budget that details the revenues necessary to meet the Authority's operating requirements.
- After appropriate public notice and a required public hearing, the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year on or before December 15th.
- After adoption of the initial budget resolution, the Authority may make the following changes: (a) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Pooled Cash and Investments

The Authority follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Receivables

Receivables are reported net of an allowance for uncollectible accounts. However, no allowance for uncollectible accounts has been established, as the Authority considers all accounts to be collectible.

Prepaid items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

Compensated Absences

The Authority allows its employees to accumulate sick and vacation leave at the rate of 3.38 and 6.15 hours per pay period respectively. Accrued compensated absences may be carried over to the following year, with a maximum accrual of 240 hours for vacation time and 320 hours sick time. Upon an employee's separation from service from the Authority, the Authority pays the full amount of accrued vacation time. Accrued sick time is not paid out upon termination.

At year end, the estimated value of accumulated compensated absence leave is \$376,835 and includes all accrued vacation and sick time expected to be used, in accordance with GASB 101.

Capital Assets

Capital assets, which include land, buildings, building improvements, equipment, and vehicles, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial cost of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital outlay for projects is capitalized as projects are constructed. Interest, if any, incurred during the construction phase is expensed as incurred.

EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Estimated useful life</u>
Buildings and improvements	30 years
Land Improvement	20 years
Furniture	7 years
Support vehicles	7 years
Buses	12 years
Computer and other intangible assets	3 - 5 years

The asset will be depreciated using half-year convention in the first and last year of service.

Non-Current Liabilities

Non-current liabilities consist of long-term leases and long-term subscriptions. At December 31, 2024, the Authority had \$4,361,698 of long-term leases and long-term subscriptions, of which \$956,894 is due within one year.

Leases

Lessee: The Authority is lessee for noncancellable leases of an apartment unit and an office space. The Authority recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements. The Authority recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lesser of its useful life or the lease term.

Key estimates and judgments related to leases include how the Authority determines the following:

- **Discount Rate** – The Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- **Lease Term** – The lease term includes the noncancellable period of the lease and extended term(s) that the Authority is reasonably certain to exercise.

EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

- **Lease Payments** – Lease payments included in the measurement of the lease liability are comprised of fixed payments. The lease payments are subject to annual Consumer Price Index (“CPI”) adjustments, and such variable payments are recognized as an expense when the estimated CPI adjustment differs from fixed payments initially used to measure the liability.

The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use assets are reported with other capital assets and lease liabilities are reported with non-current liabilities on the Statement of Net Position.

Subscription Based Information Technology Arrangements (SBITAs)

The Authority is a subscriber for noncancellable agreements for software access. The Authority recognizes a subscription liability and an intangible right-to-use asset in the government-wide financial statements. The Authority recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the Authority initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the lesser of its useful life or the subscription term.

Key estimates and judgments related to subscriptions include how the Authority determines the following:

- **Discount Rate** – The Authority uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- **Subscription Term** – The subscription term includes the noncancellable period of the subscription and extended term(s) that the Authority is reasonably certain to exercise.
- **Subscription Payments** – Subscription payments included in the measurement of the subscription liability are comprised of fixed payments. The subscription payments are subject to annual Consumer Price Index (“CPI”) adjustments, and such variable payments are recognized as an expense when the estimated CPI adjustment differs from fixed payments initially used to measure the liability.

EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

The Authority monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use assets are reported with other capital assets and subscription liabilities are reported with non-current liabilities on the Statement of Net Position.

Fund Balances – Governmental Funds

The Authority’s governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance – the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the Authority itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the Authority takes the same highest-level action to remove or change the constraint.

Assigned fund balance - amounts the Authority intends to use for a specific purpose. Intent can be expressed by the Authority board of directors or by an official or body to which the Authority board of directors delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all funds can report negative numbers.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Authority board of directors has provided otherwise in its commitment or assignment actions.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Authority can report three categories of net position as follows:

EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows or resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Authority.

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, the Authority will use the most restrictive net position first.

New Accounting Pronouncement

During 2024, the Authority implemented GASB Statement No. 101, Compensated Absences. Under the Authority's leave policy in effect as of December 31, 2024, the Authority allows its employees to accumulate sick and vacation leave at the rate of 3.38 and 6.15 hours per pay period respectively. Leave balances may be carried over to the following year, with a maximum accrual of 240 hours for vacation time and 320 hours sick time. Upon an employee's separation from service from the Authority, the Authority pays the full amount of accrued vacation time. Accrued sick time is not paid out upon termination. In accordance with GASB 101, a liability has been recorded for vacation and sick leave balances that were both earned and expected to be used or paid as of year-end.

The implementation of this standard has increased compensated absences liability by \$178,842 on the Authority's financial statements. This liability is related to the sick time expected to be used which is estimated at 50%.

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EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 - CASH AND INVESTMENTS

The Authority pools cash and investment that are available for use for each fund. Cash and investments as of December 31, 2024, are classified in the accompanying statement of net position as follows:

Cash and investments	<u>\$ 22,197,742</u>
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Cash and investments as of December 31, 2024, consist of the following:

Deposits with financial institutions	\$ 1,137,912
Cash on hand	1,100
Investments – US treasury securities	3,489,997
Local government investment pool	<u>17,568,733</u>
Total cash and investments	<u>\$ 22,197,742</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The state commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2024, the Authority’s deposits had a bank and carrying balance of \$1,137,912.

Investments

Fair Value of Investments

The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets.
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

At December 31, 2024, the Authority had the following recurring fair value measurements:

<u>Investments at Fair Value Level</u>	<u>Total</u>	Fair Value Measurements Using		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury Securities	\$ 3,489,997	\$ 3,489,997	\$ -	\$ -
Total	<u>\$ 3,489,997</u>	<u>\$ 3,489,997</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>Investments Measured at Net Asset Value</u>				
Local government investment pool:				
Colostrust plus	\$ 6,557,747			
CSIP term	11,000,000			
Total - investments at Net Asset Value	<u>\$ 17,557,747</u>			
 <u>Investments Measured at Amortized Cost:</u>				
Local government investment pool:				
CSIP LGIP	\$ 10,986			
Total - investments at Amortized Cost	<u>\$ 10,986</u>			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Credit Risk

The Authority has a board approved investment policy which limits investments to the financial institutions fully insured by the FDIC or NCUA (National Credit Union Association) or which are approved to accept public deposits, and which have pledged eligible collateral to secure uninsured public funds on deposit with such institution in accordance with the requirements of the Public Deposit Protection Act (“PDPA”). It further restricts the investment of funds to the following types of investment instruments.

- US treasury obligations
- Federal agency and instrumentality securities
- Certificates of deposit
- Money market funds
- Local government investment pools
- Interest-Bearing bank accounts or checking accounts

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Concentration of Credit Risk

The Authority generally limits its concentration of investments using following table which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk.

<u>Instrument</u>	<u>Percent of Portfolio Allowed</u>
U.S. Treasuries	100%
Federal Agencies and Instrumentalities	50%
Certificates of Deposit (“CDs”)	50%
Money Market Funds	100%
Local Government Investment Pools	100%
Interest-Bearing Bank Accounts	100%

Additionally, the Authority is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Interest Rate Risk

As a means of limiting its exposure to interest rate risk, the Authority’s investment policy limits investment maturities to five years or less. The Authority also coordinates its investment maturities to closely match cash flow needs. As a result of the limited length of maturities, the Authority has limited its interest rate risk.

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The Authority's investments at December 31, 2024 had the following maturities and ratings:

	Standard & Poors Rating	Carrying Amounts	Investment Maturities (in years)	
			Less Than 1 year	1 to 5 years
Debt securities:				
U.S. Treasury Securities	AAA	\$ 3,489,997	\$ 3,489,997	\$ -
		\$ 3,489,997	\$ 3,489,997	\$ -
Local government investment pool:				
Colotrust Plus	AAAm	\$ 6,557,747	\$ 6,557,747	\$ -
CSIP LGIP	AAAm	10,986	10,986	-
CSIP Term	*	11,000,000	11,000,000	-
		\$ 17,568,733	\$ 17,568,733	\$ -
Total		\$ 21,058,730	\$ 21,058,730	\$ -

* Standard & Poors is not available, FitchRatings rating of AAAf.

Colotrust

During 2024, the Authority invested in COLOTRUST PLUS+, one of the three portfolios offered by the Colorado Local Government Liquid Asset Trust (Colotrust). Colotrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. COLOTRUST PLUS+ operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST PLUS+ may invest in U.S. Treasury securities and repurchase agreements collateralized by such securities, certain securities of U.S. government agencies or repurchase agreements collateralized by such securities, collateralized bank deposits, AAAm rated government money market funds, corporate bonds and highest rated commercial paper.

A designated custodial bank serves as custodian for Colotrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colotrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by Colotrust. Colotrust PLUS+ is rated AAAm by S&P Global Ratings.

These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments.

Colotrust determines the NAV of the shares of COLOTRUST PLUS+ as of the close of business on each day. The NAV per share is computed by dividing the total value of the

EAGLE VALLEY TRANSPORTATION AUTHORITY
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securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of the portfolio, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of COLOTRUST PLUS+ to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held and there can be no assurance that the NAV will not vary from \$1.00 per share. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption notice period.

Colorado Statewide Investment Program

During 2024, the Authority invested in both the CSIP Liquid Portfolio (LGIP) and the CSIP Term Portfolio (TERM) offered by the Colorado Statewide Investment Program (CSIP). CSIP is an investment program that provides Colorado local governments with tools for meeting their cash flow and investment needs. Investments are offered through CSIP, a local government investment pool authorized under 24-75-701 et. Seq. of the Colorado Revised Statutes. The LGIP is a short-term portfolio rated AAAM by S&P Global and AAAMmf by Fitch Ratings. The TERM is a fixed-rate, fixed-term portfolio rated AAAf by Fitch Ratings with maturity between 60 days to one year.

CSIP determines the NAV of the shares of LGIP as of the close of business on each day. The NAV per share is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of the portfolio, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of CSIP to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held and there can be no assurance that the NAV will not vary from \$1.00 per share. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption notice period.

NOTE 4 – RECEIVABLES

Accounts receivable is due primarily from pass sales and other ongoing business in 2024. Sales tax receivables are due from the State Government and other local entities for sales and use tax. The Authority has recorded no allowance for uncollectible accounts at December 31, 2024 and anticipates the collection of all receivables. At December 31, 2024, the Authority had accounts receivable balance of \$39,571 and sales tax receivable balance of \$2,937,957.

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NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2024, was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land	\$ -	\$ 165,607	\$ -	\$ 165,607
Construction in progress	-	172,500	-	172,500
Total Capital Assets, not being depreciated	<u>-</u>	<u>338,107</u>	<u>-</u>	<u>338,107</u>
Capital Assets being depreciated/amortized				
Building and Land Improvements	-	1,769,308	(5,254)	1,764,054
Computer Equipment and Software	-	98,509	-	98,509
Vehicles	-	248,812	-	248,812
Service Buses	-	11,610,118	-	11,610,118
Right-to-use lease assets	-	4,309,196	-	4,309,196
Right-to-use subscription assets	-	561,892	-	561,892
Total Capital Assets being depreciated/amortized	<u>-</u>	<u>18,597,835</u>	<u>(5,254)</u>	<u>18,592,581</u>
Less Accumulated Depreciation/Amortization for				
Building and Land Improvements	-	41,225	-	41,225
Computer Equipment and Software	-	6,388	-	6,388
Vehicles	-	17,773	-	17,773
Service Buses	-	483,757	-	483,757
Right-to-use lease assets	-	436,450	-	436,450
Right-to-use subscription assets	-	107,992	-	107,992
Total accumulated depreciation/amortization	<u>-</u>	<u>1,093,584</u>	<u>-</u>	<u>1,093,584</u>
Total depreciable/amortizable capital assets, net	<u>-</u>	<u>17,504,251</u>	<u>(5,254)</u>	<u>17,498,997</u>
Governmental Activities Capital Assets, net	<u>\$ -</u>	<u>\$ 17,842,358</u>	<u>\$ (5,254)</u>	<u>\$ 17,837,104</u>

NOTE 6 – NON-CURRENT LIABILITIES

Non-current liabilities consist of long-term leases and long-term subscriptions. At December 31, 2024, the Authority had \$4,361,698 of long-term leases and long-term subscriptions, of which \$956,894 is due within one year.

NOTE 7 – LEASES

Related to leased assets, the Authority has the following outstanding agreements as of December 31, 2024:

1. Gypsum Maintenance Service Center (see note 12)
2. Son Ray LLC – employee housing (see note 13)

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The following is a schedule of future lease payments due under the terms of the lease at December 31, 2024:

Years Ending December 31	Principal
2025	\$ 919,674
2026	943,925
2027	868,571
2028	885,180
2029	525,256
Less: imputed interest	<u>(237,110)</u>
Total future minimum payments	<u><u>\$ 3,905,496</u></u>
Lease commitments - current portion	\$ 827,533
Lease commitments - long-term portion	<u>3,077,963</u>
Total	<u><u>\$ 3,905,496</u></u>

NOTE 8 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The Authority has entered into subscription-based information technology arrangements (SBITAs) with the following parties:

- Istonish, INC (see note 13)
- Clever Devices, LLC (see note 13)
- Tyler Technologies, INC (see note 13)

The following is a schedule of future lease payments due under the terms of the SBITA agreements at December 31, 2024:

Years Ending December 31	Principal
2025	\$ 161,633
2026	156,675
2027	96,051
2028	86,628
2029	21,405
Less: imputed interest	<u>(66,190)</u>
Total future minimum payments	<u><u>\$ 456,202</u></u>
SBITA commitments - current portion	\$ 129,361
SBITA commitments - long-term portion	<u>326,841</u>
Total	<u><u>\$ 456,202</u></u>

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NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the fiscal year ended December 31, 2024:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Lease payable	\$ -	\$ 3,905,496	\$ -	\$ 3,905,496
Subscription payable	-	456,202	-	456,202
Compensated absences	-	376,835	-	376,835
Total - Governmental Activities	<u>\$ -</u>	<u>\$ 4,738,533</u>	<u>\$ -</u>	<u>\$ 4,738,533</u>

NOTE 10 – FUND EQUITY

At December 31, 2024, the Authority reported the following classification of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$424,366 and the balance of \$33,917 in the Housing Fund represents prepaid expenditures for the ensuing fiscal year and is therefore not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$344,600 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado.

Assigned Fund Balance

The assigned fund balance in the amount of \$1,855,367 is to be used exclusively for housing-related expenses.

The assigned fund balance in the amount of \$8,530,302 is to be used exclusively for the acquisition or construction of major capital assets.

NOTE 11 – NET POSITION

The Authority’s net position consists of three components – net investment in capital assets, restricted and unrestricted.

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The net investment in capital assets consists of capital assets owned by the Authority, net of accumulated depreciation, if applicable, and reduced by the outstanding balances of bonds mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets. The Authority's net investment in capital assets as of December 31, 2024, totaled \$13,475,406.

The restricted portion of the net position includes amounts that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Authority's restricted net position as of December 31, 2024, consists of the TABOR emergency reserve in the amount of \$344,600.

In the government-wide financial statements, the Authority's unrestricted net position as of December 31, 2024, totaled \$23,278,731.

NOTE 12 – INTERGOVERNMENTAL AGREEMENT

Founding Intergovernmental Agreement

On September 1, 2022, the Members entered into an intergovernmental agreement (IGA) for the formation of the Authority and on November 8, 2022, the electors authorized establishment of the Authority and approved an initial sales tax of 0.50% to be imposed in all areas within the Authority's boundaries for general operating purposes. The IGA also provides that Eagle County will pay to the Authority a proportion of the proceeds of the existing Eagle County Regional Transit Authority (ECRTA) 0.5% transportation sales tax (ECO Transit Tax) to be used for the financing, construction, operation and maintenance of mass transportation systems within Eagle County. The proportion of the ECO Transit Tax to be paid to the Authority is to be no less than 85% and no more than 90% of the total sum collected in Eagle County in order to allow Eagle County to continue to meet its obligations to its trails program.

The IGA states that a Member may, at its sole discretion, offer to make cash contributions or provide in-kind services to the Authority or pay costs that otherwise would have been paid by the Authority (Discretionary Member Contribution). If a Member offers to make a Discretionary Member Contribution, the Authority may, subject to board approval on a case-by-case basis in its discretion, provide additional transportation services within the boundaries of such Member with a value, or grant such Member a credit against other contributions or contract service payments to the Authority by or on behalf of such Member, in an amount equivalent to the Discretionary Member Contribution.

The IGA requires the Authority to actively pursue grants to support its activities for both operating and capital costs and to cooperate and assist Members in their pursuit of grants for transportation projects. In addition, the Authority may fund capital projects through: (a) issuance of bonds pursuant to Section 609 of the Act if voter approval is obtained for the issuance of such

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bonds as required by Section 612(2) of the Act, (b) lease-purchase or other permitted agreements, or (3) one or more agreements with one or more Members.

The IGA provides service goals for the Authority and requires that the Authority use reasonable efforts to achieve increased capacity and/or service frequency, new transit routes and additional transit services, development of zero-emission plans for buses and facilities, expanded year-round air service and a five-year transit development plan. In addition, the Authority is to allocate a portion of available revenues to upgrade existing facilities, support fleet replacement and provide for construction of transit-related and transit-supportive facilities in order to support planned expansion, service, additional operations and/or dedicated staff housing.

The Authority has (subject to limitations as set forth in the IGA), all of the powers granted to regional transportation authorities by the Act and all powers that may be exercised by a separate legal entity created by a contract among the Members pursuant to the Intergovernmental Relations Statute. The IGA includes specific responsibilities of the Authority related to the planning, funding, capital projects and improvements, operations, management and coordination of and communication with regional, state and federal entities related to all aspects of the regional transportation systems. The Authority is authorized to enter into contracts with any Member or other persons or entity for the provision of transit services.

The term of the IGA shall terminate when all the then-current Members agree in writing to terminate the IGA, so long as the Authority has no outstanding bonds. Upon termination of the IGA, the net assets of the Authority will be distributed to the parties who are Members at such time in proportion to the sum of the amount of cash and the value of property and services contributed by each such Member minus the amount of cash and the value of property previously distributed to them by the Authority and, the total amount of Authority taxes or other charges (other than fares) paid by such Member's residents, during the period of time such party was a Member, with taxes or other charges paid by residents of areas of counties that are also located within a municipality or special district allocated 100% to the municipality or special district for such purposes.

In order to ensure a smooth operational transition following the formation of the Authority, several intergovernmental agreements (IGAs) were executed with Eagle County which are summarized below:

Transfer and Use of Eagle County Mass Transportation Sales Tax and Transfer of ECO Transit Fund Balance

On December 20, 2024, the Authority and Eagle County (the "County") entered into an Intergovernmental Agreement (IGA) to govern the collection, transfer, and use of the County's Mass Transportation Sales Tax proceeds, as authorized by voters in the 1995 Ballot Question. Under the terms of the IGA, the County will collect sales tax revenues designated for mass transit and transfer these proceeds to the Authority for exclusive use in supporting public transportation services within the Eagle River Valley. The Authority is obligated to utilize the

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funds solely for transit purposes consistent with the original ballot measure. These purposes may include transit operations, maintenance, and capital improvements necessary to support and enhance the regional public transportation system.

The County will retain 10% of the County Mass Transportation tax, after payment of 1% treasurer's fee, Aviation Tax and RFTA funds, for the purpose of maintaining ECO trails program. If the ownership, operation and maintenance of the ECO trails program transitions from the County to the Authority the portion of the tax retained by the County may change by amendment of this agreement.

The County had an ending fund balance of \$23,990,585 ("2022 Balance") in the County's Mass Transportation Fund as of December 31, 2022. In accordance with the IGA, this balance is to remain with Eagle County and be used for mass transit purposes consistent with the authorizing 1995 Ballot Question.

The planned and authorized use of the 2022 balance is listed below:

- In the first quarter of fiscal year 2024, the Authority requested and received a transfer of \$4,934,605 from the 2022 Balance to fund the purchase of five (5) hybrid transit buses. The County approved this request on March 26, 2024, with the transfer completed on April 2, 2024. Following this transfer, the remaining 2022 Balance totaled \$19,055,980.
- Eagle County will utilize \$1,792,409 of the 2022 Balance to fund a geothermal energy project at MSC Building D and asphalt replacement. These projects will be completed and managed by the County. The County is responsible for covering any project cost overruns from other funding sources.
- The Authority has committed \$3,000,000 from the 2022 Balance to support completion of the Eagle Valley Trail. Eagle County will transfer this amount to the ECO Trails Fund within 10 days following the completion of the County's final 2024 audit.

Interest earned on the Mass Transportation Fund prior to the Transition Date will be transferred to the ECO Trails Fund. Any interest earned after the Transition Date will be included in the final transfer to the Authority.

The County anticipates incurring limited ECO Transit-related expenses after the transition date. Should these trailing expenses exceed the revenues accrued prior to the transition, a portion of the 2022 fund balance will be utilized to cover any shortfall. Additionally, three outstanding grants budgeted under ECO Transit for the benefit of the Authority are expected to be closed by the end of 2024. If not, the County and the Authority will coordinate to retain sufficient amounts from the 2022 balance to ensure proper grant completion.

The final amounts, including any interest earnings accrued after the Transition Date, will be

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transferred to the Authority following completion of the County's fiscal year 2024 audit which is anticipated on or before June 30, 2025.

On July 10, 2025, as per this agreement, the Authority received \$10,319,520 including \$234,630 related to 2025 year to date interest income from the County.

Transfer of Capital Assets

On July 30, 2024, Eagle County transferred ownership of all buses previously used by ECO transit. The transfer was made at no cost. The transfer also includes service vehicles previously used by ECO transit.

On July 30, 2024, Eagle County conveyed the Leadville bus barn located at 205 Highway 24, Leadville Colorado to the Authority. The transfer of ownership was made for the total sum of ten dollars.

On July 30, 2024, Eagle County also conveyed two employee housing units located at 0106-4 Quail Circle, Gypsum, Colorado and 0107-2 Quail Run Circle, Gypsum, Colorado to the Authority. The transfer of ownership was made for the total sum of ten dollars each.

On August 4, 2024, the Authority started providing transit services independently. The total carrying value of the assets transferred is \$13,935,463 which is recorded as "Special item" in the statement of activities.

Vehicle and Equipment Maintenance Services Agreement

On June 12, 2024, the Authority entered into an agreement with Eagle County (the "County") to provide vehicle and equipment maintenance services. Under the agreement, Eagle County will perform routine, preventative, and repair maintenance on the Authority's fleet beginning July 1, 2024. The agreement is effective through June 30, 2025, with the option to extend for additional one-year terms upon mutual written agreement by both parties.

The Authority compensates the County on a time-and-materials basis at rates specified in the agreement. Either party may terminate the agreement at any time without cause by providing at least 30 days' written notice.

Information Technology Support and Maintenance Agreement

On August 1, 2024, the Authority entered into an intergovernmental agreement with Eagle County (the "County") for the provision of information technology (IT) support and maintenance services. This agreement facilitates the continued support of IT infrastructure during the transition of transportation operations from Eagle County's ECO Transit to the Authority.

The agreement became effective on August 4, 2024, and remains in force through July 31, 2025.

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The term may be extended on a month-to-month basis by written agreement of both parties. Either party may terminate the agreement without cause by providing 30 days' written notice.

Under the terms of the agreement, Eagle County will provide IT support services at no cost to the Authority through March 31, 2025. Thereafter, the Authority will compensate the County based on hourly rates set forth in the agreement's Exhibit A.

Bus Stop Maintenance and Management Agreement

On August 4, 2024, the Authority entered into an Intergovernmental Agreement (IGA) with Eagle County (the "County") for the provision of routine and preventative maintenance services at the Authority's bus stops. The agreement is effective through May 31, 2025, and may be extended for additional one-year terms by mutual written consent.

Under the IGA, the County provides services including snow and ice removal, shelter cleaning and repairs, vegetation management, signage updates, and assistance with capital improvements. The Authority compensates the County with a monthly flat fee of \$19,556, inclusive of all labor, materials, and overhead. The agreement may be terminated by either party with 30 days' written notice.

Facility Lease Agreement – Maintenance Service Center (MSC)

On July 16, 2024, the Authority entered into a lease agreement with Eagle County (the "County"), for the use of designated portions of the Gypsum Maintenance Service Center ("MSC") located at 3289 Cooley Mesa Road, Gypsum, Colorado. The lease term commences on August 1, 2024, and expires on July 31, 2029, with the option to extend for additional five-year periods upon mutual agreement and advance written notice. Under the agreement, the Authority shall pay annual base rent of \$801,008, subject to a 3% automatic increase each lease year during the initial term. Rental amounts during any extension period will be adjusted to reflect market rates and will also increase annually by 3%. The lease encompasses approximately 27,969 square feet of exclusive interior space and 296,751 square feet of common and exterior space and includes provisions for early termination option.

NOTE 13 – SERVICE AGREEMENTS

The Authority has the following service agreements:

SP Plus Corporation

On October 1, 2023, the Authority entered into a Transportation Service Agreement with SP Plus Corporation ("SP+") for the operation of seasonal shuttle bus services supporting the regional rapid transit program. The initial term of the agreement is three years, ending September 30, 2026, with automatic month-to-month renewal thereafter unless terminated with 30 days' notice. Under the original agreement, the Authority agreed to pay SP+ a base service fee of \$378,000

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per ski season (October through April), plus an hourly rate of \$66.75 with a guaranteed minimum of 320 hours per week.

On June 12, 2024, a First Amendment to the agreement was executed, effective May 19, 2024, to expand services to include a Summer Program (May through November). The amendment revised the term description to reflect year-round service and introduced a Base Summer Service Fee of \$240,000, paid in six equal monthly installments of \$40,000, along with an increased hourly rate of \$70.09. The amendment also established a guaranteed summer minimum of 10,105 service hours. All other terms of the original agreement remain in effect unless otherwise amended.

Shuttle Bus Leasing

On May 16, 2024, ECO Transit entered into a lease agreement with Shuttle Bus Leasing for the lease of three transit buses. The lease is assigned to the Authority in connection with the transfer of transit operations.

Under the terms of the agreement, ECO transit will lease three 2010 Gillig buses for an initial term of 12 months. The lease will automatically renew on a month-to-month basis unless terminated by either party with 30 days' written notice. Monthly lease payments are \$5,000 per bus, or \$15,000 in total.

Fehr and Peers

On May 21, 2024, the Authority entered into a service agreement with Fehr & Peers ("Contractor") to develop a 10-Year Transit Development and Capital Plan. The agreement is effective June 1, 2024, and will remain in effect through December 31, 2025, unless terminated earlier as permitted by the contract. The agreement outlines that the Contractor will provide transportation consulting services. Under the terms of the agreement, total compensation to the Contractor shall not exceed \$700,000. The agreement allows for early termination by the Authority with a minimum of three days' written notice.

Son Ray LLC

On January 8, 2024, Eco Transit entered into a residential lease agreement with Son Ray LLC (the "Landlord") for the rental of three residential apartment units located at 435 Eby Creek Rd, Eagle, Colorado (Units 302, 307, and 412), collectively referred to as the "Property." The Property is leased for use as employee housing and assumed by the Authority on August 4, 2024, when it started operating independently.

The lease term commenced on January 8, 2024, and continues through January 31, 2027. The total monthly rent for the three units is \$9,139. There are no scheduled rent increases through the initial term. Rent may be increased in any month-to-month renewal period. In addition to base rent, the Authority is responsible for payment of all utilities.

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Clever Devices LLC

On June 13, 2024, the Authority entered into a Professional Services Agreement with Clever Devices, LLC to provide hosted services for the Intelligent Transit Systems (ITS) project, including related technology services and support. The Agreement has an initial one-year term with up to four optional one-year renewals, subject to mutual agreement and annual appropriation of funds, and may automatically renew unless either party provides at least sixty (60) days' written notice of non-renewal.

The fee for the initial term is \$212,923, with the first renewal term set at \$77,957 and subsequent annual increases of 3%. The Authority's maximum payment obligation under the agreement is \$212,923 for the initial term and \$326,144 for all renewal terms combined. The Authority may terminate the agreement at any time with sixty (60) days' notice without penalty, or immediately for cause, including criminal conduct or non-appropriation of funds.

Tyler Technologies Inc.

On July 10, 2024, the Authority entered into a Software as a Service (SaaS) Agreement with Tyler Technologies, Inc. ("Tyler") for financial management and related enterprise resource planning software. Under this agreement, Tyler provides hosted software services, implementation, and ongoing support. The initial term of the agreement is three years commencing on the first day of the month following the effective date, with automatic one-year renewals thereafter unless terminated by either party with at least sixty (60) days' written notice prior to the end of the current term. Annual SaaS fees for the initial term total \$37,989, with implementation and related professional services estimated at \$54,460.

The agreement may be terminated by the Authority with thirty (30) days' written notice for cause including lack of appropriations or a material breach.

Istonish Inc.

On April 30, 2024, the Authority entered into a Services Agreement with Istonish, Inc. to provide 24/7/365 managed IT services, including network, security, endpoint support, and user support functions.

The initial term of the agreement is from May 1, 2024, through April 30, 2025, with two optional one-year renewal terms. Monthly service fees include a baseline charge of \$2,200, plus per-unit charges for endpoints, network components, and user security packages, subject to a 3.5% annual cost-of-living adjustment. The agreement also includes an onboarding fee of \$15,957 and allows for additional professional services at hourly rates. The Authority may terminate the agreement at any time without cause upon thirty (30) days' written notice or immediately for cause. For the year ended December 31, 2024, the Authority paid a total of \$70,057 as an additional payment not previously included in the measurement of the subscription liability.

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Transdev fleet services, Inc.

On April 19, 2024, Eagle County, Colorado, entered into a services agreement with Transdev Fleet Services, Inc., which was assigned to the Authority effective August 4, 2024. Under this agreement, Transdev provides transit fleet maintenance services. The initial term runs from July 1, 2024, through June 30, 2025.

Compensation is based on time and materials as outlined in the agreement, including a labor rate of \$202.57 per hour, an overtime rate of \$206.08 per hour (if approved), a 12% markup on parts, and 10% on outside services. Total compensation may not exceed \$150,000.

The agreement may be terminated by either party without cause with 30 days' written notice.

NOTE 14 – EMPLOYEE BENEFITS

The Authority carries a traditional medical and dental insurance through CEBT. Vision insurance is carried through Vision Service Plan, Inc. The Authority also provides short-term and long-term disability to its full-time employees.

In compliance with the provisions of COBRA, all Authority employees may continue their health insurance for a period of 18 months due to a reduction in work hours or termination of employment. Employees who elect continued coverage must pay the insurance carrier for premiums from the termination date of coverage and monthly thereafter. No cost to the Authority is recognized as employees reimburse 100% of their premium cost.

NOTE 15 – RETIREMENT PLANS

Deferred Compensation Plan – Section 457

Plan Description

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the Colorado Retirement Association (CRA). The CRA provides retirement and death benefits for members and their beneficiaries. Plan participation is voluntary and available to any full-time, non-temporary/seasonal employee of the Authority immediately upon hire. All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries. Employees' retirement accounts under the 457 plans are 100% vested and become property of the employee. The annual financial report that includes financial statements and required supplementary information for the plan may be obtained through the plan's website at www.cra-online.org.

EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Funding Policy

The CRA is funded by member contributions of includable compensation to a maximum level set by the Internal Revenue Service. Employee contributions are matched by the Authority up to 5% of the employee's base wages and vest immediately with the employee when made. Any employer contributions made during the plan year apply toward the maximum deferral limits mentioned above. The Authority's and members' contributions to the CRA 457 plan for the year ended December 31, 2024, were \$126,297 and \$167,238 respectively, totaling \$293,535.

Retirement Plan - Section 401(a)

Plan Description

The Authority contributes to the Colorado Retirement Association (CRA) Defined Contribution 401(a) Plan. All employees of the Authority are enrolled in this mandatory plan, upon date of hire. Employees' retirement accounts under the 401(a) plans are 100% vested and become property of the employee. The annual financial report that includes financial statements and required supplementary information for the plan may be obtained through its website at: www.cra-online.org.

Funding Policy

Employees contribute 5% of their compensation on a mandatory basis to the plan, and the Authority also contributes 5% of the employees' gross compensation to the plan. The Authority's and members' contributions to the 401(a) plans for the year ended December 31, 2024, were \$163,936 and \$164,416 respectively, totaling \$328,352.

NOTE 16 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Authority is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to \$1,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Authority pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and accumulated funds, the Pool may require additional contributions from the members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. During the year ended December 31, 2024, the pool made no distributions to the Authority.

EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 17 – TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments, except Enterprise.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The ballot question approved by voters on November 8, 2022, authorized the Authority to collect and spend the proceeds of taxes, contributions, investment income and all other revenues, without regard to the limitations imposed by TABOR, effective January 1, 2023.

The Authority's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

NOTE 18 – CONTINGENCIES

During the normal course of business, the Authority incurs claims and other assertions against it from various agencies and individuals. Management of the Authority and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statement as of December 31, 2024.

NOTE 19 – COLORADO BUDGET LAW

For the year ended December 31, 2024, the Authority's Transit Capital Fund had a budgeted expenditures of \$90,248. Actual expenditures totaled \$129,391, resulting in an over-expenditure of \$39,143. This overage may constitute a violation of the Colorado Local Government Budget Law, which requires that expenditures not exceed appropriated amounts at the fund level.

NOTE 20 – SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2024, through the issuance date of this report. The following material events occurred during this period:

EAGLE VALLEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

- The Authority received \$4.9 million from Eagle County in 2024 for the purchase of five buses. The purchase of the buses was completed in 2025.
- On July 10, 2025, pursuant to the *Transfer and Use of Eagle County Mass Transportation Sales Tax and Transfer of ECO Transit Fund Balance* agreement described in Note 12, the Authority received \$10,319,520 from Eagle County, which includes \$234,630 related to 2025 year-to-date interest income.
- On January 18, 2025, the Authority entered into a Memorandum of Understanding (MOU) with EGE Air Alliance and established a collaborative framework for supporting air service development at the Eagle County Regional Airport through the provision of Minimum Revenue Guarantees (MRG). Under the terms of the MOU, the Authority may allocate and transfer up to \$1.2 million annually to the EGE Air Alliance to fund the airline Minimum Revenue Guarantee (MRG), with the final amount determined each year by the Authority's Board following consultation with EGE Air Alliance and a review of airline performance data. The agreement is effective for a period of one year and renews automatically on an annual basis unless terminated in writing by either party.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

EAGLE VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
AIR FUND
Year Ended December 31, 2024

	<u>Budget Amounts Original & Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Total revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Minimum revenue guarantees	800,000	700,855	99,145
Total expenditures	<u>800,000</u>	<u>700,855</u>	<u>99,145</u>
EXCESS OF REVENUES OVER /(UNDER) EXPENDITURES	<u>(800,000)</u>	<u>(700,855)</u>	<u>99,145</u>
OTHER FINANCING SOURCES			
Transfer from General Fund	<u>800,000</u>	<u>700,855</u>	<u>(99,145)</u>
Total other financing sources	<u>800,000</u>	<u>700,855</u>	<u>(99,145)</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

EAGLE VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
HOUSING SERVICE FUND
Year Ended December 31, 2024

	<u>Budget Amounts Original</u>	<u>Budget Amounts Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE				
Rent	\$ 88,480	\$ 88,480	\$ 137,568	\$ 49,088
Total revenues	<u>88,480</u>	<u>88,480</u>	<u>137,568</u>	<u>49,088</u>
EXPENDITURES				
Contract services	10,900	10,900	13,397	(2,497)
Materials & supplies	-	-	425	(425)
Lease payments	<u>147,360</u>	<u>239,100</u>	<u>234,462</u>	<u>4,638</u>
Total expenditures	<u>158,260</u>	<u>250,000</u>	<u>248,284</u>	<u>1,716</u>
EXCESS OF REVENUES OVER/(UNDER)				
EXPENDITURES	<u>(69,780)</u>	<u>(161,520)</u>	<u>(110,716)</u>	<u>50,804</u>
OTHER FINANCING SOURCES				
Transfer from General Fund	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total other financing sources	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	930,220	838,480	889,284	50,804
FUND BALANCE - BEGINNING				
OF YEAR	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,930,220</u>	<u>\$ 1,838,480</u>	<u>\$ 1,889,284</u>	<u>\$ 50,804</u>

REQUIRED SUPPLEMENTARY INFORMATION

EAGLE VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
TRANSIT CAPITAL FUND
Year Ended December 31, 2024

	<u>Amounts Original</u>	<u>Budget Amounts Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
ECO Transit Reserve	\$ -	\$ -	\$ 4,934,605	\$ 4,934,605
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,934,605</u>	<u>\$ 4,934,605</u>
EXPENDITURES				
Capital outlay	-	90,248	129,391	(39,143)
Total expenditures	<u>-</u>	<u>90,248</u>	<u>129,391</u>	<u>(39,143)</u>
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	<u>-</u>	<u>(90,248)</u>	<u>4,805,214</u>	<u>(4,895,462)</u>
OTHER FINANCING SOURCES				
Transfer from General Fund	1,725,088	1,725,088	1,725,088	-
Total other financing sources	<u>1,725,088</u>	<u>1,725,088</u>	<u>1,725,088</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,725,088	1,634,840	6,530,302	(4,895,462)
FUND BALANCE - BEGINNING OF YEAR	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,725,088</u>	<u>\$ 3,634,840</u>	<u>\$ 8,530,302</u>	<u>\$ (4,895,462)</u>